

90-314  
JUN 1 1994  
RECEIVED  
FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY



DOCKET FILE COPY ORIGINAL  
EX PARTE OR LATE FILED

George Dobbins

This is a position paper of Southern Communications, Inc. in regards to Personal Communication System (PCS), and specifically, George Dobbins with the minority participation.

This position paper suggests a logical approach to allow for minority and women-owned business participation in the PCS. The major problem these businesses face is lack of deep pockets in a capital-intensive business.

The main capital requirement is building the cell sites and switches required for PCS. New applicants into PCS will have to build from scratch. The existing cellular companies, however, already have the network in place. The cost to ADD ON to this network and provide ADDITIONAL capability at the new PCS frequencies is only 10-20% of the cost of building it from scratch.

A logical combination is to pair up a minority owned PCS licensee with the infrastructure of an existing cellular carrier. There is precedence for this. In the early days of cellular, the FCC required the RBOC cellular carriers to provide access to cell sites and radios to the independent "A" licensee, i.e. to be able to "resell" cellular services using the "B" licensees' infrastructure (FCC Docket 79-318)

If the FCC does not designate a set-aside spectrum for minority or women owned firms, then these firms should be given preferential treatment. A manner in which to do this would be for any consortia that has minority participation to be allowed access to existing cellular infrastructure. Any consortia that does not have minority participation would not be allowed access to the cellular infrastructure.

We think a reasonable approach is to divide the PCS spectrum into 6 20-MHz blocks. In each market, one block would be reserved for minority and women owned businesses. A second block would be open to an existing cellular company. The two cellular companies could bid against each other and against third parties. The auction winner would provide PCS services directly. The other cellular company would be required to allow the minority/women owned licensee to resell PCS services using the infrastructure and network of the cellular company. Since PCS territories are different from cellular territories.

The extra cost of "upbanding" the existing cellular network to PCS could be borne directly by the minority/women owned licensee or could be funded by the cellular company and recovered through the call minute revenue sharing between the minority PCS licensee. Major cellular infrastructure providers have already announced "upbanding" products to add PCS onto cellular infrastructure.

No. of Copies rec'd  
List ABCDE  
copy

page 2

We should not restrict the minority owned business from entering into joint ventures with only cellular companies. The minority firms should be allowed to joint venture with any company.

The auctions for the set-aside spectrum for the minority/women owned business should be held after the auctions for the other bands.

The proposal is "win-win" for all sides:

Both sets of cellular infrastructure are put to good public use.


Competition is stimulated between both cellular companies in territory because only one can operate PCS directly, and the government's receipts from the auction will be maximized.

The "losing" cellular company still wins because its upbanded infrastructure earns additional PCS call minute revenues from the minority licensee. If neither cellular company bids or wins the auction, then there is competition between the two to get the call minute business of the minority/women owned PCS licensee.

The minority/women owned PCS licensee can concentrate on marketing and services, without needing the massive capital investment in infrastructure which has already been made by its cellular "partner".

We also think that the minority licensee should be allowed to bid a percentage of revenue for the spectrum for a period of years, rather than a fixed dollar amount. Plus a percentage of the bid for the license could be required in the form of a down payment. This would eliminate non-serious and the illegitimate bidders.

Sincerely,  
George Dobbins

A handwritten signature in cursive script, appearing to read "George Dobbins", written in dark ink.

# SOUTHERN COMMUNICATIONS SYSTEMS

90-314  
RECEIVED  
JUN 1 '94  
FEDERAL COMMUNICATIONS  
COMMISSION  
OFFICE OF THE  
SECRETARY

FAX MESSAGE FOR:

Nancy Booker

FAX NUMBER:

202-634-7845

NUMBER OF PAGES IN THIS TRANSMISSION:

THIS FAX MESSAGE IS FROM:

FAX NUMBER: 615-895-8562

COMMENTS: